



STATE OF MICHIGAN

**Family
Independence
Agency**

Memo

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To: Asha Shah, Director
Budget, Analysis & Financial Management
Administration

Date: May 23, 2002

From: Rita Barker, Director
Office of Internal Audit

Subject: Review of Maintenance of Effort Fiscal Data
Family Preservation and Family Support Services
Period: 10/1/99 through 9/30/00 (FY 00)
Assignment # 2002-038

The Office of Internal Audit reviewed the fiscal data used to calculate the State Fiscal Year 2000 Estimated Expenditures to meet the supplantation prohibition for the Family Preservation and Family Support Services Program.

Based on our review, we conclude that the allocations of gross expenditures used to calculate FY 2000 estimated expenditures to meet the supplantation prohibition for the Family Preservation and Family Support Services Program were correct except for Child Care Fund – In Home Care expenses which are discussed below. No adjustments have been made to the “Estimated Expenditures – Family Preservation and Family Support Services” report which is attached to this memo.

Child Care Fund – In Home Services (CCF-IHS) Expenses

The Child Care Fund – In-Home Services line item showed \$1,815,447 recorded in the Title IV-A/ TANF column. This was done because \$1,815,447 of the \$3,116,494 in gross CCF-IHS expenditures was determined to be TANF eligible, and subsequently FIA received revenue from the Federal Government in that amount. However, during our review we found that the CCF-IHS expenditures determined to be TANF eligible actually amounted to \$1,964,953. 50% of the \$1,964,953 pertained to CCF-IHS expenses that were paid for by the counties and therefore only the State's share (\$982,477) should have been charged to the Federal Government. Since the \$1,815,447 was actually received and the 2000FY is now closed, we did not change the Title IV-A/ TANF column. However, BAFM will need to take action to correct this error.

We also noted the remaining non-TANF portion of the CCF-IHS expenses (\$1,301,047) was recorded in the County Funds column of the spreadsheet. Since the Gross Expenditures for the CCF-IHS totaled \$3,116,494 and the Counties paid for 50% of these expenditures, the figure that should have been entered in the "County Funds" column of the Spreadsheet for the CCF-IHS was \$1,558,247 (50% of \$3,116,494).

WE RECOMMEND BAFM take appropriate action to correct these errors.

WE FURTHER RECOMMEND BAFM ensure that only the State portion of TANF eligible CCF-IHS expenses is charged to the Federal Government in the future.

Please contact me if you have any questions concerning this review.

Attachment

c: M. Jasonowicz
J. Beougher
J. Sorbet
J. Hudson